New LPG bottling plants

5060. SHR1SANTOSH BAGRODI A: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the number of LPG bottling plants set up in different parts of the country;

(b) the details of proposals for setting up of new LPG bottling plants in the current financial year, State-wise and location-wise; and

(c) the details of effective measures being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURALGAS (SHRI SANTOSH GANGWAR): (a) Public Sector Oil Marketing Companies (OMCs) have set up 155 LPG bottling plants in different parts of the country as on 1.1.2002.

(b) and (c) The LPG bottling plants are set up on the basis of techno-economic feasibility after taking into consideration the demand potential of packed LPG in the concerned area. In the. current financial year, OMCs have the plan to set up the bottling plants at Gopanari (Assam), Dimapur (Nagaland) and Kota (Rajasthan). In order to meet the future packed LPG demand, OMCs have drawn the plants to augment the LPG bottling capacity in the country from 6207 Thousand Metric Tonne Per Annum (TMTPA) as on 1.1.2002 to 8070 TMTPA during the Tenth Plan.

Impact of Iraq crisis on crude oil prices

5061. SHRI VIJAY J. DARDA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Iraq's refusal to the UN Weapon Inspectors to return has an impact on the prices of crude oil moving upward;

(b) if so, its impact on crude oil prices; and

(c) what is the present price of crude oil in the international market and how it is expected to affect the crude oil prices in India?

THE MINISTER OF STATE INTHE MINISTRY OF PERTROLEUM AND NATURALGAS (SHRI SANTOSH GANGWAR): (a) and (b) It is believed that differences between Iraq and United Nations Special Commission regarding withdrawal of inspection personnel have had an impact on the prices of crude in the international market. However, it is not possible to assess the effect of this factor alone on the crude prices as other factors also effect the oil price trends.

(c) Price of crude oil Dubai and Brent (Dated) during May 2002 has been around US $ 26 per barrel. Higher prices of crude oil in the international market would have a corresponding increase in the value of the crude oil imported by the country.

Erosion in IOCs profitability

5062. SHRIPARMESHWAR KUMAR AGARWALLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indian Oil Corporation (IOC) bagged 33.38 per cent stake in IBP for Rs. 1153.68 crores;

(b) if so, the factors which weighed for IOC to pay such a massive amount to bag 33.58 per cent shares of IBP;

(c) whether IOC wanted to keep aspiring entrants such as Shell and Reliance Petroleum out of petroleum retailing sector;

(d) if so, the details thereof;

(e) whether such a takeover would erode IOC's annual profitability by Rs. 49 crores;

(f) if so, the details thereof;

(g) whether Government have forced IOC to cough up that high a sum for claiming IBP; and

(h) if so, the reasons therefor?

THE MINISTER OF STATE INTHE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) Yes, Sir.

(b) The valuation of IBP by IOC was based on discounted cash flow analysis, replacement cost analysis and comparable multiples besides the strategic premium on the fair value of IBP shares to consolidate gains under competitive market conditions.

(c) No, Sir.

(d) Does not arise.

(e) and (g) No, Sir.

(f) and (h) Do not arise.